GRAP 24 – Presentation of Budget Information in the Financial Statements

national treasury
Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

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DEFINITIONS

Approved budget means the expenditure authority derived from laws, appropriation bills, regulations and other decisions related to the anticipated revenue or receipts for the budgetary period
Budgetary basis means the accrual, cash or other basis of accounting adopted in the budget approved by the legislative body
Comparable basis means the actual amounts presented on the same accounting basis, same classification basis, for the same entities and for the same period as the approved budget
Final budget is the approved budget adjusted for transfers, allocations, supplemental appropriations, and other changes applicable to the budget period

Principle: This Standard requires an entity to include a comparison of budget amounts and the actual amounts arising from the execution of the budget where the budget is made publicly available

Publicly available budget
When they have been approved, and made available to the public at large by tabling in Parliament, legislatures or municipal councils

PRESENTATION OF A COMPARISON OF BUDGET AND ACTUAL AMOUNTS

A comparison of budget and actual amounts is presented as:
- Additional columns in the primary statements when the financial statements and budget **are on a comparable basis**
- A separate statement of comparison when the budget and financial statements are **not on a comparable basis**

The comparison presents separately for each level of oversight (or aggregation):
- The approved and final budget amounts
- The actual amounts on a comparable basis, and
- An explanation of material differences (in the notes), unless included in other public documents issued in conjunction with the financial statements (with cross reference)
- An explanation of whether changes between the approved and final budget are a consequence of reallocations within the budget or other factors (in the notes or separate report)

The disclosure of comparative information in respect of the previous period is not required

DISCLOSURES

Included in the notes to the financial statements:
- An explanation on the budgetary basis and classification basis adopted in the approved budget
- The period of the approved budget
- The entities included in the approved budget

RECONCILIATION OF ACTUAL AMOUNTS ON A COMPARABLE BASIS AND ACTUAL AMOUNTS IN THE FINANCIAL STATEMENTS

Where the financial statements and the budget are not prepared on a comparable basis, a reconciliation to the actual amounts in the financial statements, identifying separately any basis, timing and entity differences for the following:
- If the accrual basis is adopted for the budget, total revenues, total expenses and net cash flows from operating activities, investing activities and financing activities, or
- If a basis other than the accrual basis is adopted for the budget, net cash flows from operating activities, investing activities and financing activities

The reconciliation is disclosed on the face of the statement of comparison of budget and actual amounts or in the notes to the financial statements